

OGC REVIEW COMPLETED

28 April 1955

MEMORANDUM FOR: Chief, Regulations Control Staff

SUBJECT : Proposed [REDACTED] Maintenance of  
Leave Records by Employees for Periods of Absence  
Due to Sickness or Injuries

25X1

REFERENCE : Memorandum for Chief, Regulations Control Staff  
from Office of the General Counsel, same subject,  
dated 24 March 1955

1. Reference notice has again been submitted to this Office for concurrence. Subsequent to the date of the reference memorandum, certain additional information has come to the attention of this Office which, in our opinion, warrants revising the proposed notice to guide the employees who are or may be affected.
2. In order to verify the amount claimed by the taxpayer as sick leave compensation excluded from gross income, at least one District Director's Office (Baltimore) has prepared a form which must be completed to substantiate the exclusion. This form requires, in part, a listing of the dates the employee was absent on sick leave and the amounts paid for those days. In addition, it requires that the employer verify the absence by certification. This, of course, presents a problem to CIA employees. Such a certification would "blow" the innocuous "U.S. Government" employer shown on the W-2 and the employee's Form 1040.
3. I have recently discussed this problem with the Assistant District Director, IRS, Baltimore. The Assistant District Director agreed that as future requests of this nature are received by CIA employees from his Office, the form should be filled out in all respects except the attached employer certification, and returned to him on a hand-carry basis by this Office. The section of the form which requests the employer's name should be filled in "U.S. Government, Washington, D.C." if this is compatible with the employer and address indicated on the Form 1040.
4. Consequently, when Agency employees receive correspondence from a District Director, IRS, requesting that they provide substantiating information regarding the claimed exclusion from gross income, such inquiries should be handled as prescribed above. In addition,

this Office will require, in order that we may in good conscience orally verify to IRS the information included, a memorandum from the appropriate Payroll Division verifying the dates of absence and the amounts paid.

5. Concerning the content of the Notice as presently written, this Office suggests that:

(a) The last two sentences of the first paragraph of Section 2(b), which are enclosed in parentheses, should be deleted and asterisks substituted. This language is not applicable to U.S. Government employees and would serve only to confuse many Agency readers.

(b) In the first sentence of the second paragraph of Section 2(b), the following clarifying phrase might be added in brackets after the word "illness": [as distinguished from injury]

(c) To the extent that the last sentence of Section 3 is incompatible with the information this Office must receive from Payroll, through the employee, if his exclusion is challenged, the sentence should be revised.

(d) The last sentence of Section 4 may only promote confusion. While it may be true that these forms should be retained by the employee as a matter of good management of his personal affairs, there is no official requirement that they be retained "for income tax purposes."

(e) The covering memo to the Notice indicates a Field counterpart should be prepared. If such a notice is prepared, it would appear logical to include advice in Section 4 on "how" employees paid from unvouchered funds can determine their daily salary rate.

6. Further inquiries to this Office on the subject matter of this Notice may be addressed to the undersigned, .

25X1

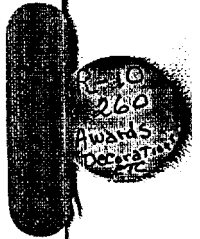
25X1A9A

Office of the General Counsel

OGC/MLF:plb

Attachments 4

Distribution: Orig.&1-Addressee  
✓1-Subject File  
1-MLF Chrono  
1-OGC-225 East  
1-Chrono



25X1A

Approved For Release 2002/05/08 : CIA-RDP60-00442R000100160059-3

Next 2 Page(s) In Document Exempt

Approved For Release 2002/05/08 : CIA-RDP60-00442R000100160059-3

25X1A9A

25X1A

For conversation of 19 April with [redacted] Office of Security, it is the opinion of this Office that the controls established in the draft dated 7 October 1954 of [redacted] which was prepared in the Office of Security, are the minimum allowable under the status relating to: (1) Foreign awards and declarations, (2) Gifts and favors from private interests, and (3) The White House relating to submission of requests to Congress.

- (a) This Office will be pleased to assist further, if desired, in the preparation of the subject proposed regulation.

25X1A9A

[redacted]  
Office of the General Counsel